

MATERIAL MARKET UPDATE

As Bangladesh entered a shutdown period with the onslaught of the coronavirus outbreak inside its borders, the DSE remained closed from 26th March due to a lack of automation of its infrastructure compared to international counterparts. Also, the number of investors who used the DSE mobile app for trading stood at only 51,199 at the end of 2019 as against the 2.58 mn active BO accounts. As such, DSE and CSE, alongside the Colombo Stock Exchange in Sri Lanka, were the only bourses that remained shut for an extended period while other exchanges in virus affected countries continued their trade. The DSE's trading suspension has drawn wide criticism from local and international stakeholders as liquidity needs were hampered and emergency funds could not be withdrawn. With the overall depressed market conditions and the halt in trading activities, some local stakeholders asked for a bailout package for brokerages, AMCs and other market operators in order to bring some respite to their plight. However, the government is yet to give a nod in this regard. Hence, after a 46-day pause in trading activities, the DSE might resume its market operations from 10th May, subject to approval from the BSEC.

Although remittance exhibited an exceptional growth of 20.06% in the first 8 months of the current FY, it plunged by 12% in March as economies of major sources of inward remittance countries were gravely affected by the virus and brutalized oil markets, which has resulted in job losses of migrant workers. Inflation remained relatively stable at 5.48%, rising by only 2bps mainly due to an increase in non-food inflation. Additionally, exports experienced a double-digit tumble of -18.29% as the RMG sector suffered a sharp blow due to the COVID-19 lockdowns across the globe, leading to order cancellations worth billions of dollars. Torn between keeping RMG factories shut to comply with social distancing measures and keeping it running to prevent the sector's collapse, RMG factories were finally reopened partially towards the end of April. On the other hand, subdued demand in the country has been eating away NBR revenue. While the July-March period experienced an overall 7.78% growth, according to projections by local experts, it is anticipated that by the end of the ongoing fiscal year, growth in revenue collection will be from 0% to 2-3%. Moreover, with the multiple stimulus packages that have been announced by the government to keep affected industries and service sectors afloat, budget deficit is expected to swell to 7.7% at the end of the current FY as per World Bank's projections. The World Bank has also forecast a dismal 2-3% GDP growth for the current FY, a stark downward revision from its prior pre-pandemic growth projection of 7.2%, as the pandemic showed no signs of easing and continues to threaten a steep economic slump, which will likely only be exacerbated by its pre-existing vulnerabilities.

KEY NEWS UPDATE

MACROECONOMY

- Inflation up by 2bps in March: <https://bit.ly/3aSeJW9>
- Pandemic pushes down March remittance inflow by 12%: <https://bit.ly/2yiAJMs>
- Export earnings fall 18.29% to \$2.73 bn in March: <https://bit.ly/2YlGnbA>
- PM announces Tk 727.5 billion package to fight coronavirus impact: <https://bit.ly/3fabgpk>
- 2.73% negative growth in NBR revenue collection in March: <https://bit.ly/3da0SMn>
- Govt seeks \$500m budget aid from World Bank: <https://bit.ly/2VVlemR>
- Govt seeks \$500m budget aid from ADB: <https://bit.ly/2Yqz7Lo>
- World Bank forecasts Bangladesh GDP Growth to dive below 3.0% in FY 2019-20: <https://bit.ly/2xs93EG>
- PM unveils four programs to overcome adverse effects of COVID-19: <https://bit.ly/2KSHFme>
- BB sets up Tk 100b refinance scheme for CMSMEs: <https://bit.ly/2YtqNuD>
- RMG units to reopen partially to keep the economy running: <https://bit.ly/2SsjCz2>

CAPITAL MARKET

- Stock brokers cry out for support amid a fund crisis: <https://bit.ly/3bZbAFf>
- DSE director demands financial bailout package for bourse: <https://bit.ly/2z22Tvz>
- Existing infrastructure not supportive to resume stock trading: <https://bit.ly/35rOG7l>
- Closure of DSE puts market reputation at stake: <https://bit.ly/3aXNDwX>
- DSE set to resume trading from May 10: <https://bit.ly/2xrPAUB>
- DSE brokers for allowing undisclosed money into stock market: <https://bit.ly/2xubnLn>
- BSEC yet to publish FY 2018-19 annual report: <https://bit.ly/2YtTck0>
- Firms take advantage of lax implementation of shareholding rules by BSEC: <https://bit.ly/2St0QHA>

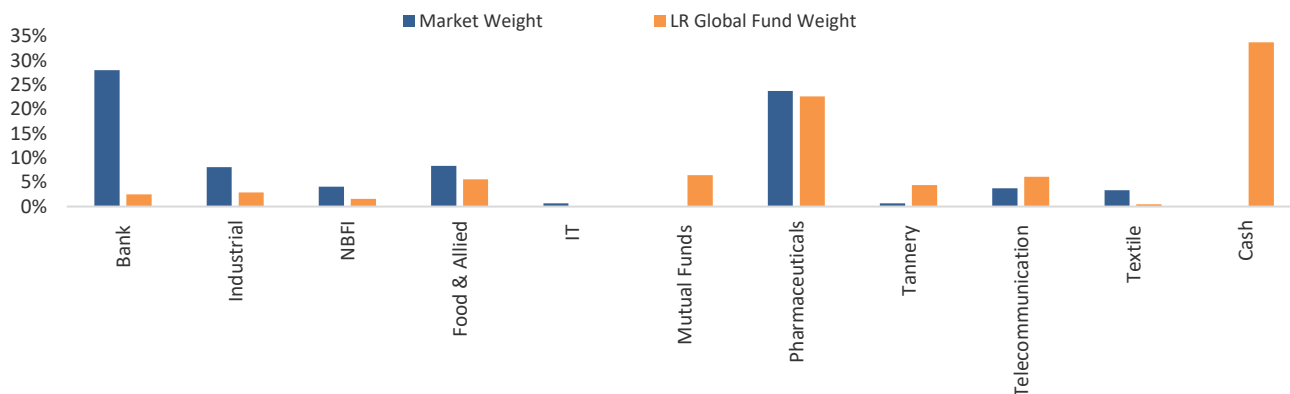
INTERNATIONAL

- Coronavirus delivers record blow to US retail as sales plunge by -8.7% in March: <https://cnb.cx/3f5Efe1>
- UK retail sales fall by 5.1%, the most on record as coronavirus lockdown hits: <https://cnb.cx/2KUcibb>
- US oil price below zero for first time in history: <https://on.ft.com/3bUtUiW>
- BD workers' mass deportation from Middle-East states begins: <https://bit.ly/3c1SIFG>
- World economy 'may face double recession' due to the pandemic: <https://bbc.in/3aW2b08>

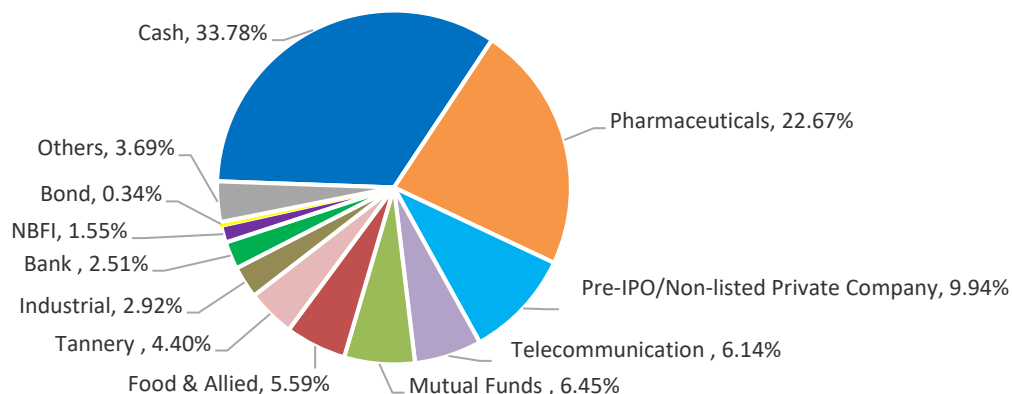
LR GLOBAL PORTFOLIO UPDATE

Our capital market portfolio remained unchanged in April as trading activities on the main bourse were suspended from 26th March. LR Global's portfolio is **UNDERWEIGHT** in all sectors compared to the benchmark index, except the pharmaceuticals, telecommunication, mutual funds, and tannery sector. We are currently maintaining a high proportion of cash as it is generating a better return compared to the market itself. Moreover, we are also well positioned to buy undervalued securities when appropriate.

Sectorwise Investment

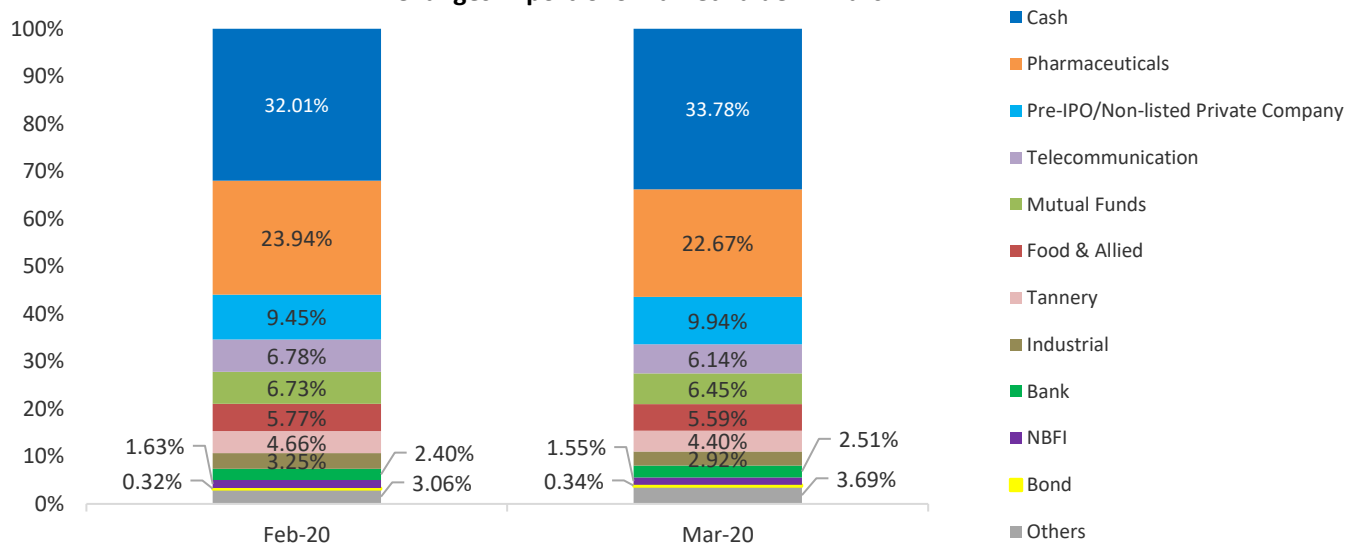


Sectoral Composition of Portfolio at Market Value



We took selective positions in well-capitalized and focused companies and also evaluating discounted and transparent mutual funds to gain exposure. We primarily booked profits from few stocks and intend to buy back at more attractive prices.

Changes in portfolio market value in March



Source: LR Global Research

LR GLOBAL PORTFOLIO PERFORMANCE as on 25th March, 2020

(Trading activities at the DSE have remained closed since 26th March, 2020)

LR Global managed funds have consistently beat the market with over 40% cash dividends. Despite a flat market since 2010, LR Global managed funds have materially outperformed the benchmark index.

Value Addition History	1 year	2 year	3 year	4 year	5 year	6 year	7 year	8 year	9 year	Since inception
Cumulative Return LR Global	-18.63%	-17.06%	-4.20%	7.41%	18.75%	12.74%	29.22%	46.32%	17.15%	57.20%
Cumulative Return Benchmark	-29.13%	-29.84%	-29.60%	-10.27%	-13.96%	-15.70%	-6.77%	2.93%	-44.11%	-24.04%
LR Global Value Addition	10.50%	12.78%	25.40%	17.67%	32.71%	28.44%	35.99%	43.39%	61.26%	81.24%

Annualized Return LR Global	-18.63%	-8.93%	-1.42%	1.80%	3.50%	2.02%	3.73%	4.87%	1.77%	4.64%
Annualized Return Benchmark	-29.13%	-16.24%	-11.04%	-2.67%	-2.96%	-2.81%	-1.00%	0.36%	-6.26%	-2.72%
LR Global Value Addition	10.50%	7.31%	9.62%	4.47%	6.46%	4.82%	4.73%	4.51%	8.03%	7.35%

Beta (LR Global vs Benchmark)	0.50	0.46	0.49	0.47	0.50	0.50	0.47	0.44	0.45	0.46
Annualized Alpha over benchmark	-6.27%	-3.82%	1.65%	0.65%	2.70%	1.14%	1.81%	2.21%	2.12%	3.46%

Our funds perform resiliently even when the market experiences a bearish phase. For instance, DBH1STMF and GREENELMF successfully disbursed attractive dividends with their commencement in 2010 even though the market crashed in that same year. The cumulative dividend yield of our funds in the last five years indicate that our unitholders have been the recipient of attractive returns as a result of investing in our mutual funds.

Dividend History	DBH1STMF	GREENELMF	AIBL1STMF	MBL1STMF	LRGLOBMF1	NCCBLMF1
Fund Inception Date	4-Feb-10	23-Sep-10	6-Jan-11	3-Feb-11	15-Sep-11	24-May-12
Initial Fund Size (BDT Mn)	1,200	1,500	1,000	1,000	3,000	1,000
Total Dividend Disbursed (BDT Mn)	667.20	472.50	415.00	370.00	1,250.33	434.01
% Cash Dividend to Initial PAR	56%	32%	42%	37%	42%	43%

Cumulative Dividend Yield	DBH1STMF	GREENELMF	AIBL1STMF	MBL1STMF	LRGLOBMF1	NCCBLMF1
5 year	41.6%	44.2%	48.9%	48.2%	48.3%	44.1%
4 Year	33.1%	34.7%	46.9%	45.1%	31.3%	37.2%
3 Year	25.5%	26.9%	30.1%	30.9%	23.6%	27.5%
2 Year	20.3%	21.9%	21.4%	22.2%	13.5%	23.4%
1 Year	9.8%	10.7%	11.1%	12.0%	6.0%	9.5%

Cumulative Div. Yield (Annualized)	DBH1STMF	GREENELMF	AIBL1STMF	MBL1STMF	LRGLOBMF1	NCCBLMF1
5 year	8.3%	8.8%	9.8%	9.6%	9.7%	8.8%
4 Year	8.3%	8.7%	11.7%	11.3%	7.8%	9.3%
3 Year	8.5%	9.0%	10.0%	10.3%	7.9%	9.2%
2 Year	10.1%	10.9%	10.7%	11.1%	6.7%	11.7%
1 Year	9.8%	10.7%	11.1%	12.0%	6.0%	9.5%

Note: The most recent dividend data used for NCCBLMF1 is for 2018 while the rest are for 2019.

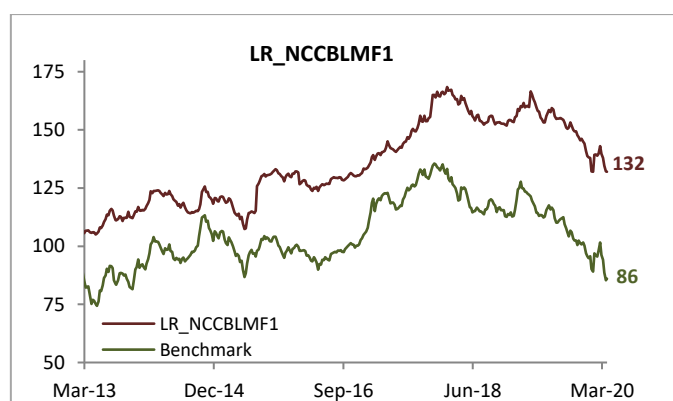
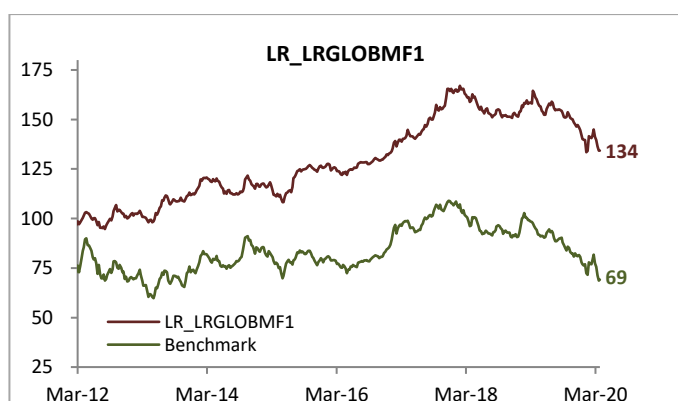
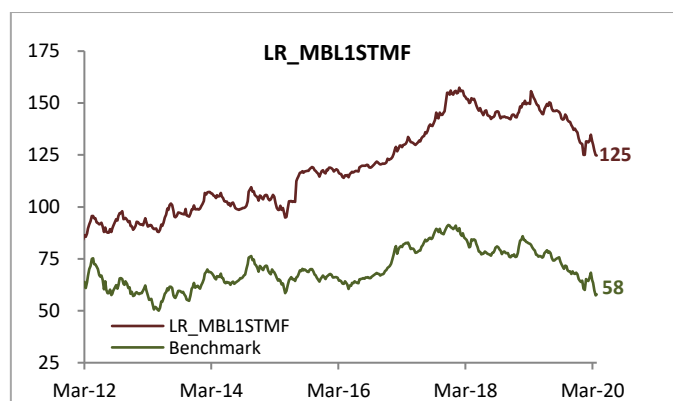
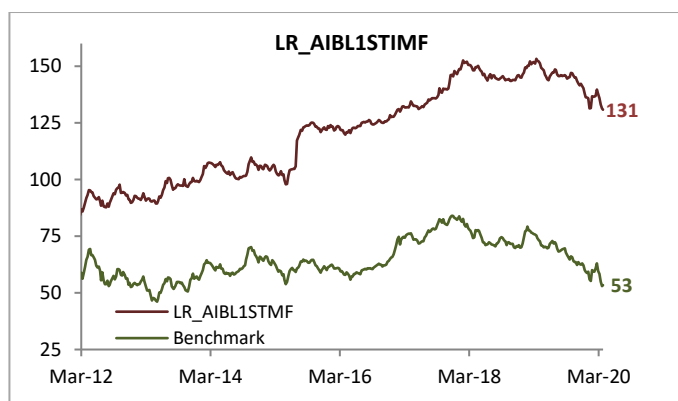
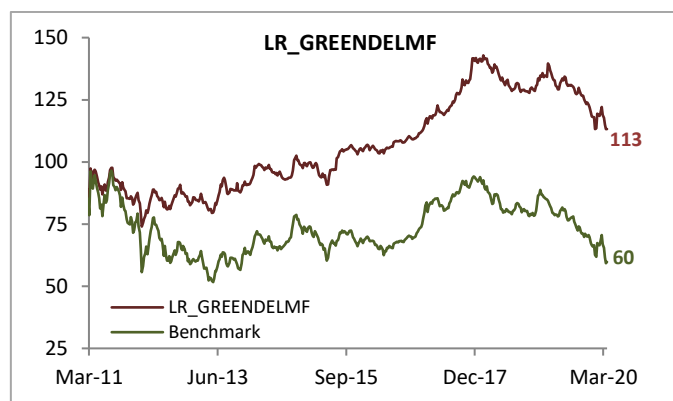
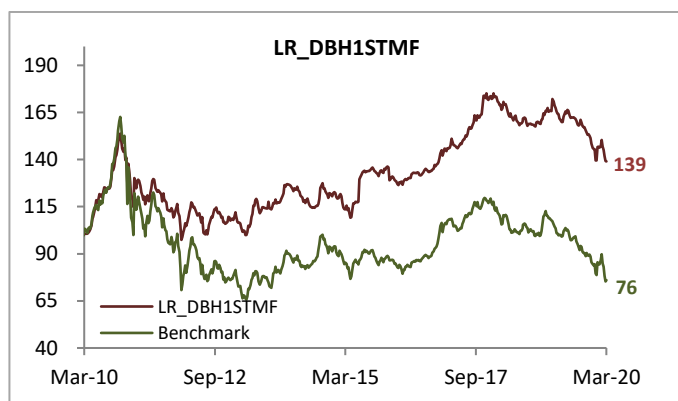
Our ten years of tested investment process has generated attractive returns, including attractive cash dividends. Our tested investment process includes security selection, asset allocation and an ongoing risk management process.

All LR Global managed funds materially outperformed the benchmark index in March. (Trading activities at the DSE have remained closed since 26th March, 2020.)

Monthly Market Performance

	March	February	Change
DSEX	4,008.29	4,480.23	-10.53%
DBH1STMF	8.72	9.21	-5.32%
GREENELMF	8.75	9.19	-4.79%
AIBL1STMF	9.07	9.55	-5.03%
MBL1STMF	8.90	9.40	-5.32%
LRGLOBMF1	8.92	9.38	-4.90%
NCCBLMF1	8.90	9.42	-5.52%

We have consistently outperformed the benchmark index across all funds since inception due to our security selection, asset allocation, market timing, and rating process.



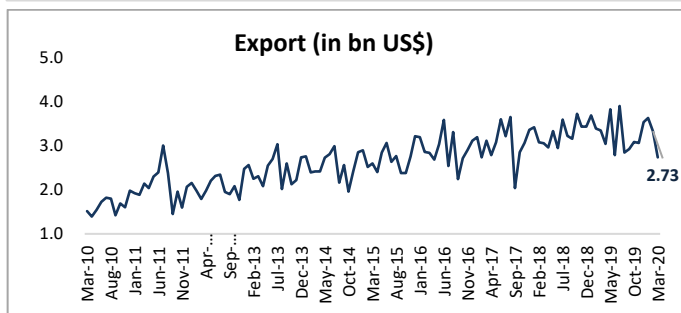
Source: LR Global Research

MACRO UPDATE

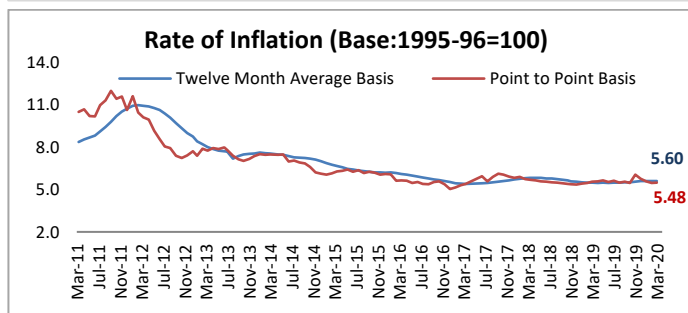
	FY 2019-20	FY 2018-19	% Change
Export (mn \$) (Jul-Mar)	28,970	30,903	-6.3%
Import (mn \$) (Jul-Jan)	34,585	36,191	-4.4%
Remittances (mn \$) (Jul-Mar)	13,798	11,856	16.4%
Tax Revenue (NBR) (mn \$) (Jul-Mar)	19,423	18,012	7.1%
Total Domestic Credit (mn \$) (Feb)	147,284	127,977	15.1%
Credit to the Private Sector (mn \$) (Feb)	124,650	114,226	9.1%
Broad Money M2 (mn \$) (Feb)	153,796	136,618	12.6%
LC Opening of Industrial Raw Material (mn \$) (Jul-Aug)	2,738	3,381	-19.0%
LC Opening of Capital Machinery (mn \$) (Jul-Aug)	700	760	-7.8%
Current Account Balance (mn \$) (Jul-Jan)	(1,516)	(4,041)	N/A
Net Sales of National Savings Certificates (mn \$) (Jul-Jan)	982	3,652	-73.1%
	April	March	% Change
Foreign Exchange Reserve (mn \$)	33,000	32,567	1.3%
Call Rate (Weighted Average Rate)	4.73	5.17	-8.5%
Taka-Dollar Exchange Rate (Avg)	84.95	84.90	0.1%
	March	February	% Change
US Retail Sales (mn \$)	483,066	529,262	-8.7%
UK Retail Sales (mn \$)	9,462	9,967	-5.1%

Source: Bangladesh Bank, The Financial Express, US Census Bureau, UK Office for National Statistics

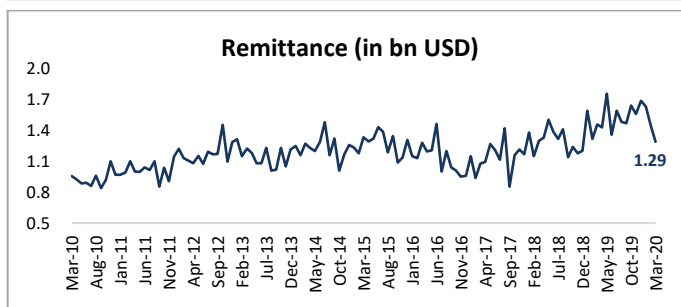
Export earnings slumped to \$28.97 billion in July-Mar of FY20 from \$30.90 billion in the same period of FY19.



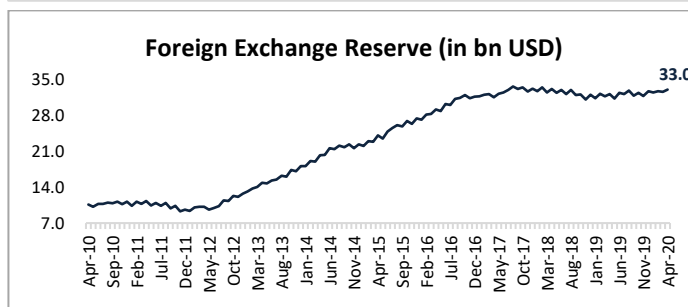
Food inflation declined by 10 bps, while non-food increased by 22 bps, bringing up overall inflation by 2 bps.



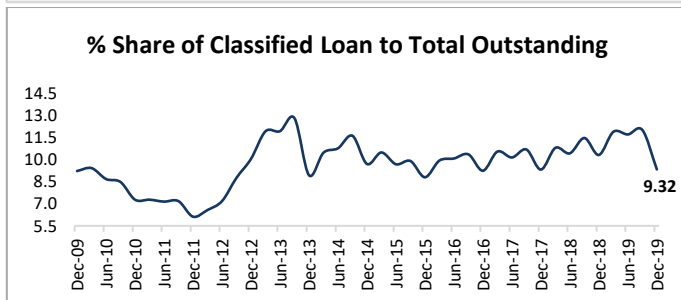
Remittance registered a 12% decline in March as unemployment rose sharply on a global scale.



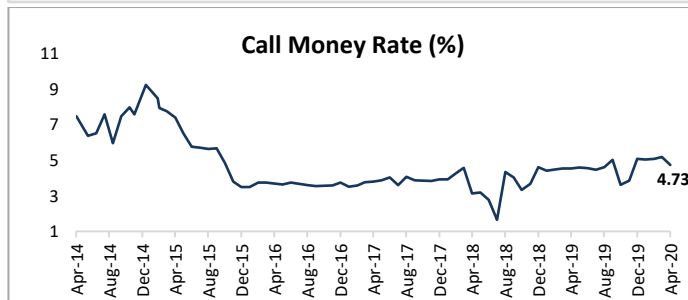
Foreign exchange reserve has remained stable at a \$31 bn to \$33 bn level for the last 4 years.



Classified loan declined significantly in the latest quarter due to the relaxed rescheduling policy.

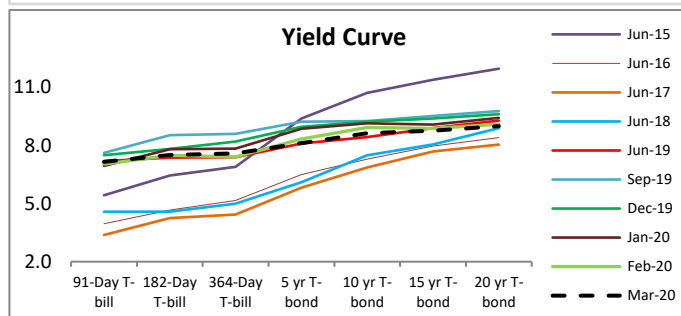
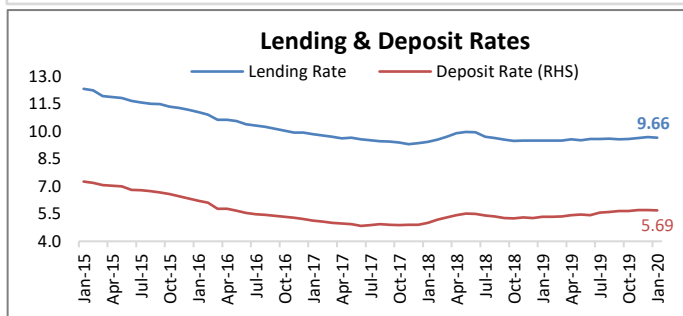


Call money rate reduced by 44 bps in April compared to the previous month.



Interest rate spread has been narrowing as they are being adjusted to single digits as per central bank directives.

Yield curve is gradually flattening as the long-term economic outlook is more promising than the short-term.



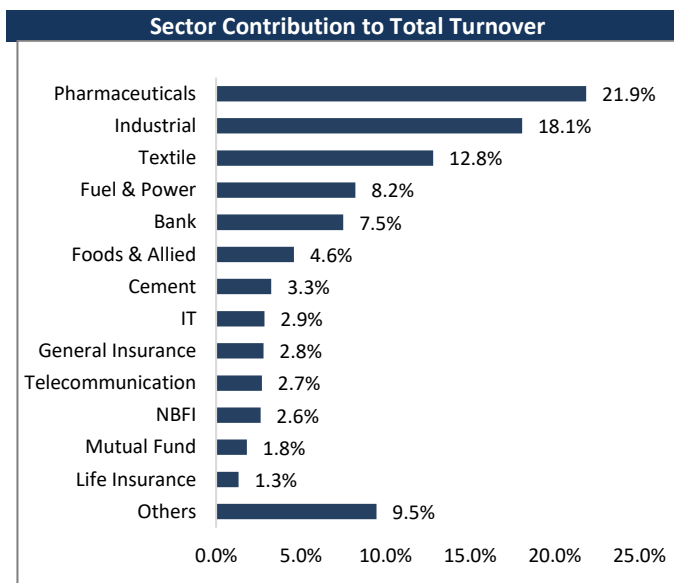
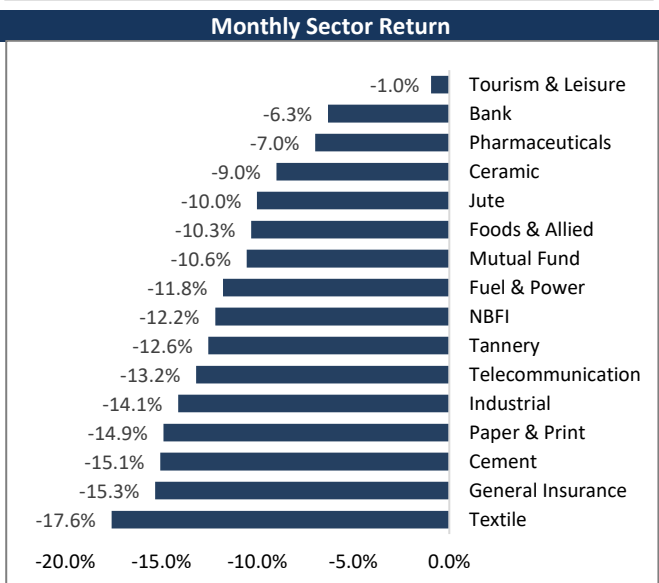
Source: Bangladesh Bank, The Financial Express

CAPITAL MARKET UPDATE

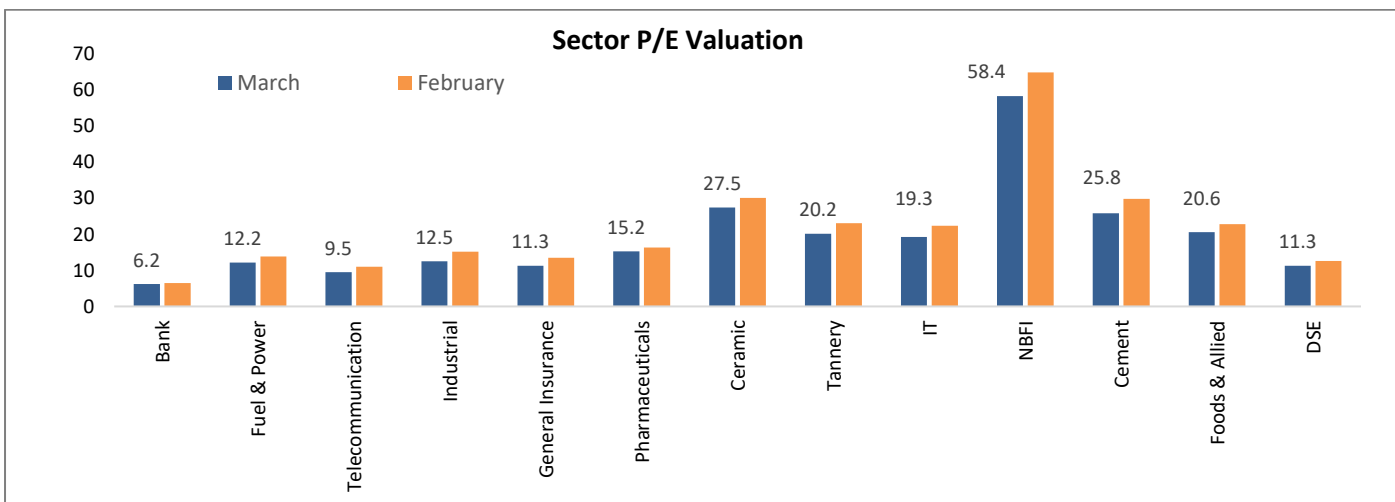
The DSEX shed 472 points (10.5%) in March due to the coronavirus outbreak and bleak economic outlook. **Trading activities at the DSE were closed since 26th March, 2020 and remained suspended throughout April.**

All sectors were hit hard by the bearish market. The tourism sector eroded the least due to SEAPEARL's unusual price hike, while textile suffered the most as its conditions deteriorated further with the pandemic.

The positive outlook of the pharmaceutical sector alongside cheap industrial and textile stocks drove investors to continue to binge on the stocks in these sectors.



P/E ratio of majority sectors also declined in March with the overall market, making stock prices more attractive for investors.



Investors' participation in March was subdued as confidence in the capital market remained shaky. Average daily market turnover worsened by -40.58% compared to the previous month over growing tensions from the COVID-19. Total turnover during the month was also significantly lower than the previous month due to reduced trading hours and general holiday.

Market Liquidity

	March	February	Change
Total Turnover (USD MN)	783.22	1,464.68	-46.53%
Avg. Daily Turnover (USD MN)	43.51	73.23	-40.58%

Some pharma companies were among the most traded stocks due to investor optimism from soaring local demand for pharma products as COVID-19 cases are on the rise.

Majority of the top gainers enjoyed a price gain without being backed by fundamentals. ILFSL also registered a positive gain despite having an NPL of 24.57%.

Most of the top ten losers that lost significant value during the month also reported an EPS decline or a negative EPS, which sent investors on a selling spree.

Turnover Leaders

Ticker	Turnover (BDT MN)
SQURPHARMA	1,838.62
MONNOCERA	1,398.84
ORIONPHARM	1,369.12
LHBL	1,300.17
GP	1,232.42
ORIONINFU	1,172.60
VFSTD	1,152.73
FARCHEM	993.02
KPCL	929.04
SILVAPHL	910.84

Top Ten Gainers

Ticker	% Change
SEAPPEARL	31.83%
INTECH	24.84%
APEXSPINN	19.14%
MONNOCERA	17.99%
KOHINOOR	15.15%
AZIZPIPES	11.94%
ACIFORMULA	10.45%
ABBANK	9.59%
KPPL	7.98%
ILFSL	7.69%

Top Ten Losers

Ticker	% Change
SHEPHERD	-29.11%
EMERALDOIL	-29.10%
FORTUNE	-28.05%
STANCERAM	-27.66%
RUNNERAUTO	-27.52%
AGRANINS	-27.27%
RDFOOD	-27.16%
CITYGENINS	-26.92%
PRIMETEX	-26.51%
SAIHAMTEX	-26.43%

NOTABLE QUARTERLY EARNINGS ANNOUNCEMENTS DURING THE MONTH

IBNSINA exhibited double digit growth in the Jan-Mar period due to a surge in demand for pharmaceuticals products that stemmed from the COVID-19 outbreak in the country. SINGERBD recognized a negative growth of 9.8% this quarter as sales plummeted amidst the virus scare and overall slowdown in economic activity.

TICKER	COMPANY NAME	SECTOR	EPS 2020 (Jan-Mar)	EPS 2019 (Jan-Mar)	CHANGE
SINGERBD	Singer Bangladesh Limited	Engineering	1.11	1.23	-9.8%
SUMITPOWER	Summit Power Limited	Fuel & Power	1.24	1.02	21.6%
IBNSINA	The IBN SINA Pharmaceutical Industry Ltd.	Pharmaceuticals	2.33	1.99	17.1%

NOTABLE YEARLY EARNINGS & DIVIDEND DECLARATIONS DURING THE MONTH

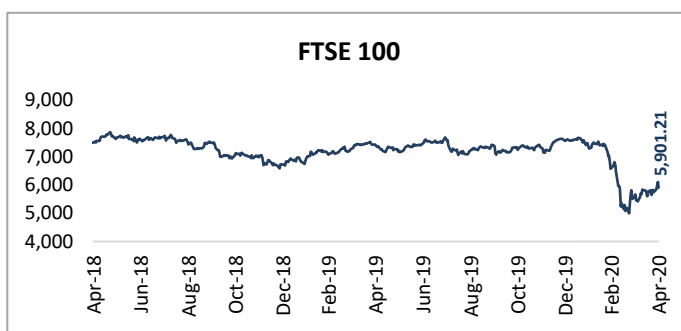
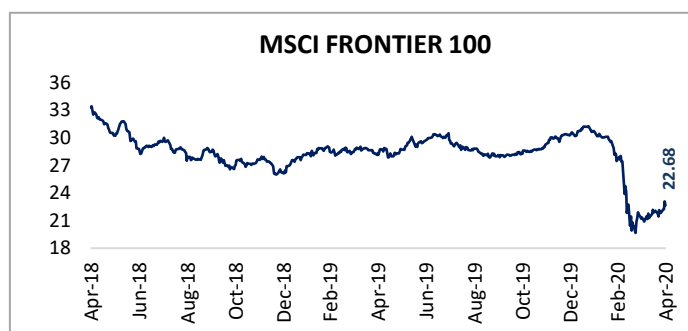
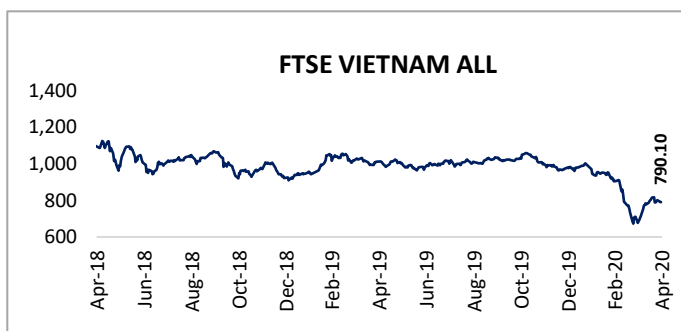
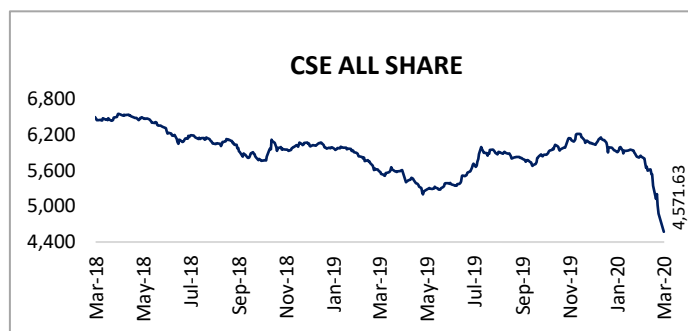
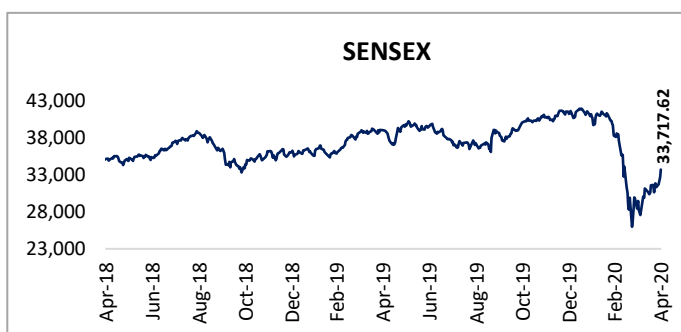
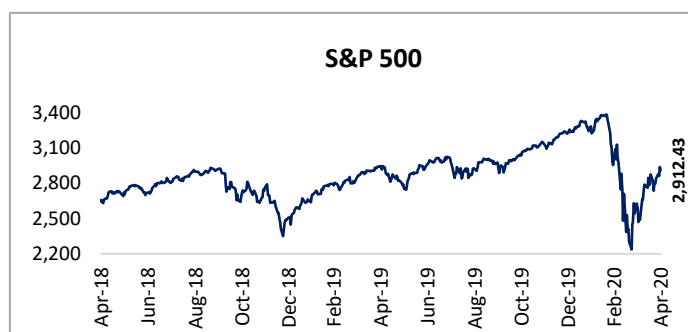
Banks published mixed performances during the period. BRACBANK's earnings suffered mainly due to high operating costs and poor performance of its subsidiaries. RECKITTBDEN declared the highest cash dividend recommended by any listed company on the DSE as its net profit increased significantly due to a strong boost in the sale of Dettol and Harpic. HEIDELBCEM disbursed no dividend as its business was unable to recover and its EPS slipped into the negative territory.

TICKER	COMPANY NAME	SECTOR	EPS 2019 (Jan-Dec)	EPS 2018 (Jan-Dec)	CHANGE	DIVIDEND (2019)
RECKITTBDEN	Reckitt Benckiser (BD) Ltd.	Pharmaceuticals	131.06	70.22	86.6%	1250% Cash
BRACBANK	Brac Bank Limited	Bank	3.72	4.60	-19.2%	7.5% Cash, 7.5% Stock
MARICO	Marico Bangladesh Limited*	Pharmaceuticals	84.01	64.23	30.8%	950% cash
NCCBANK	National Credit and Commerce Bank Ltd.	Bank	2.30	1.97	16.8%	17% cash
HEIDELBCEM	Heidelberg Cement Bangladesh Ltd.*	Cement	-3.30	14.33	NA	No Dividend
EBL	Eastern Bank Ltd.	Bank	4.92	3.83	28.5%	25% cash

Source: LR Global Research and DSE

*Companies with FY ended on March 2020

WORLD MARKET



INDICES, COMMODITIES & CURRENCIES

Indices	1-Year	6-Month	3-Month	1-Month	1-Week
S&P500	-0.17%	-4.12%	-11.31%	12.68%	4.04%
SENSEX	-13.50%	-15.98%	-17.59%	19.29%	7.45%
CSE ALL	-17.94%	-21.10%	-24.37%	-21.60%	-8.92%
FTSE VTNM	-22.05%	-23.43%	-18.62%	16.62%	0.06%
MSCI FRONTIER 100	-19.40%	-19.77%	-26.22%	6.73%	3.94%
FTSE 100	-19.73%	-18.59%	-20.06%	-20.34%	1.28%
DSEX	-27.52%	-19.05%	-9.29%	-10.53%	0.84%

Commodities Return	1-Year	6-Month	3-Month	1-Month	1-Week
Gold	31.34%	11.84%	6.99%	6.46%	-2.54%
Copper	-17.39%	2.19%	-7.57%	7.41%	1.21%
Crude Oil	-69.52%	-65.23%	-63.87%	-7.24%	14.18%
Sugar	-14.91%	-16.75%	-28.79%	3.49%	5.59%
Wheat	19.73%	2.73%	-6.76%	-7.87%	-4.59%

Currencies Return*	Exchange Rate	1-Year	6-Month	3-Month	1-Month	1-Week
Euro	0.91	2.0%	1.8%	0.7%	0.1%	-1.6%
INR	75.08	8.7%	6.1%	4.9%	-1.7%	-1.6%
Yen	107.18	-3.9%	-0.8%	-1.6%	0.0%	-0.4%
CNY	7.06	4.9%	0.4%	1.8%	-0.5%	-0.1%
VND	23,429.00	0.6%	1.0%	1.1%	-0.8%	-0.2%
BDT	84.98	0.8%	0.2%	0.2%	0.1%	0.0%

*Calculated against USD, positive return denotes depreciation against USD

Source: investing.com